



Senate

General Assembly

File No. 654

February Session, 2004

Substitute Senate Bill No. 343

Senate, April 26, 2004

The Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING SCHOOL CONSTRUCTION PROGRAM REVISIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10-290a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2004*):

3 The Commissioner of Education [shall] may provide advisory
4 services to local officials and agencies on long range school plant
5 planning and educational specifications and review the sketches and
6 preliminary plans and outline specifications for any school building
7 project and the educational program which it is designed to house and
8 advise boards of education and school building committees regarding
9 the suitability of such plans on the basis of educational effectiveness,
10 sound construction and reasonable economy of cost, including energy
11 economy and efficiency.

12 Sec. 2. Section 10-290b of the general statutes is repealed and the

13 following is substituted in lieu thereof (*Effective July 1, 2004*):

14 The Commissioner of Education [shall] may arrange for the
15 collection, publication and distribution of information on procedures
16 for school building committees, building methods and materials
17 suitable for school construction and on relevant educational methods,
18 requirements and materials, and [shall] may furnish such information
19 to towns or regional school districts planning school construction. Said
20 commissioner [, through the school construction economy service,
21 shall] may from time to time inform local officials and agencies
22 involved in school construction of the services available under sections
23 10-290a to 10-290d, inclusive, as amended by this act.

24 Sec. 3. Subsection (b) of section 10-292 of the general statutes, as
25 amended by section 31 of public act 03-76, is repealed and the
26 following is substituted in lieu thereof (*Effective July 1, 2004*):

27 (b) Notwithstanding the provisions of subsection (a) of this section,
28 a town or regional school district may submit final plans and
29 specifications for oil tank replacement, roof replacement, asbestos
30 abatement, code violation, energy conservation, network wiring,
31 certified school indoor air quality emergency projects or projects for
32 which state assistance is not sought, to the local officials having
33 jurisdiction over such matters for review and written approval. The
34 total costs for an asbestos abatement, code violation, energy
35 conservation, [or] network wiring, or certified school indoor air quality
36 emergency project eligible for review and approval under this
37 subsection shall not exceed one million dollars. Except for projects for
38 which state assistance is not sought and projects for which the town or
39 regional school district is using a state contract pursuant to subsection
40 (d) of this section, no school building project described in this
41 subsection shall go out for bidding purposes prior to the receipt and
42 acceptance by the Department of Education of such written approval.

43 Sec. 4. Section 10-283a of the general statutes is repealed and the
44 following is substituted in lieu thereof (*Effective from passage*):

45 A committee to review the listing of eligible school building projects
46 submitted pursuant to section 10-283, as amended, shall be appointed
47 [annually] biennially on or before July first consisting of eight persons
48 who are members of the General Assembly at the time of their
49 appointment as follows: Two persons each appointed by the speaker of
50 the House of Representatives, the minority leader of the House of
51 Representatives, the president pro tempore of the Senate and the
52 minority leader of the Senate. The listing of eligible projects by
53 category shall be submitted to said committee prior to December
54 fifteenth annually to determine if said listing is in compliance with the
55 categories described in subsection (a) of section 10-283, as amended,
56 and existing standards established by the State Board of Education
57 pursuant to said regulations. The committee may modify the listing if
58 it finds that the Commissioner of Education acted in an arbitrary or
59 unreasonable manner in establishing the listing. Such modified listing
60 shall be in compliance with said standards and categories. Prior to
61 February first annually, the committee shall submit the approved or
62 modified listing of projects to the Governor and the General Assembly.

63 Sec. 5. Subsection (a) of section 10-287 of the general statutes is
64 repealed and the following is substituted in lieu thereof (*Effective July*
65 *1, 2004*):

66 (a) A grant for a school building project under this chapter [to meet
67 project costs not eligible for state financial assistance under section 10-
68 287a] shall be paid in installments, the number and time of payment of
69 which shall correspond to the number and time of principal
70 installment payments on municipal bonds, including principal
71 payments to retire temporary notes renewed for the third and
72 subsequent years pursuant to section 7-378a or 7-378e, issued for the
73 purpose of financing such costs and shall be equal to the state's share
74 of project costs per principal installment on municipal bonds or notes,
75 except in cases where the project has been fully paid for, in which case
76 the number of installments shall be five or, in the case of a regional
77 vocational agriculture center or a cooperative regional special
78 educational facility, shall be one; provided final payment shall not be

79 made prior to an audit conducted by the State Board of Education for
80 each project for which a final calculation was not made prior to July 31,
81 1983. Grants under twenty-five thousand dollars shall be paid in one
82 lump sum. The Commissioner of Education shall certify to the State
83 Comptroller, upon completion of the issuance of bonds or such
84 renewal of temporary notes to finance each school building project, the
85 dates and amounts of grant payments to be made pursuant to this
86 chapter and the State Comptroller shall draw an order on the State
87 Treasurer upon such certification to pay the amounts so certified when
88 due. All site acquisition and project cost grant payments shall be made
89 at least ten days prior to the principal payment on bonds or temporary
90 notes related thereto or short-term financing issued to finance such site
91 acquisition or project. Annual grant installments paid pursuant to this
92 section on principal installment payments to retire temporary notes
93 renewed pursuant to section 7-378a or 7-378e shall be based each year
94 on the amount required to be retired pursuant to said sections, as
95 adjusted for any ineligible project costs, and shall be paid only if at the
96 time such temporary notes are renewed the rate of interest applicable
97 to such notes is less than the rate of interest that would be applicable
98 with respect to twenty-year bonds if issued at the time of such
99 renewal. The determination related to such rates of interest pursuant to
100 this subsection may be reviewed and shall be subject to approval by
101 the Commissioner of Education prior to renewal of such notes. In the
102 event that a school building project is not completed at the time bonds
103 or temporary notes related thereto are issued to finance the project, the
104 certification of the grant payments made pursuant to this section by
105 the Commissioner of Education may be based on estimates, provided
106 upon completion of such project and notification of final acceptance to
107 the state, the Commissioner of Education shall adjust and recertify the
108 dates and amounts of subsequent grant payments based on the state's
109 share of final eligible costs.

110 Sec. 6. Section 10-287c of the general statutes is repealed and the
111 following is substituted in lieu thereof (*Effective July 1, 2004*):

112 The State Board of Education is authorized to prescribe such rules

113 and regulations as may be necessary to implement the provisions of
114 this chapter, provided any rules or regulations to implement the
115 provisions of sections 10-283, as amended, 10-287, as amended by this
116 act, [10-287a,] and 10-292d [and subsection (d) of section 10-292m] shall
117 be prescribed in consultation with the Secretary of the Office of Policy
118 and Management. [Whenever the Commissioner of Education has
119 made a commitment for a grant prior to the completion of a project as
120 provided in section 10-287a, and said commissioner has made
121 advances thereon as provided in said section, any such rules or
122 regulations prescribed in accordance with this section which were in
123 effect at the time of such commitment and advances shall be applicable
124 to any additional commitment and subsequent advances with respect
125 to said project.]

126 Sec. 7. Section 10-287d of the general statutes, as amended by
127 section 20 of public act 03-2 of the September 8 special session, is
128 repealed and the following is substituted in lieu thereof (*Effective July*
129 *1, 2004*):

130 For the purposes of funding (1) grants to projects that have received
131 approval of the State Board of Education pursuant to sections 10-287,
132 as amended by this act, [and 10-287a,] subsection (a) of section 10-65
133 and section 10-76e, (2) grants to assist school building projects to
134 remedy safety and health violations and damage from fire and
135 catastrophe, and (3) regional vocational-technical school projects
136 pursuant to section 10-283b, the State Treasurer is authorized and
137 directed, subject to and in accordance with the provisions of section 3-
138 20, as amended, to issue bonds of the state from time to time in one or
139 more series in an aggregate amount not exceeding three billion five
140 hundred forty-six million three hundred sixty thousand dollars,
141 provided four hundred fifty-eight million dollars of said authorization
142 shall be effective July 1, 2003. Bonds of each series shall bear such date
143 or dates and mature at such time or times not exceeding thirty years
144 from their respective dates and be subject to such redemption
145 privileges, with or without premium, as may be fixed by the State
146 Bond Commission. They shall be sold at not less than par and accrued

147 interest and the full faith and credit of the state is pledged for the
148 payment of the interest thereon and the principal thereof as the same
149 shall become due, and accordingly and as part of the contract of the
150 state with the holders of said bonds, appropriation of all amounts
151 necessary for punctual payment of such principal and interest is
152 hereby made, and the State Treasurer shall pay such principal and
153 interest as the same become due. The State Treasurer is authorized to
154 invest temporarily in direct obligations of the United States, United
155 States agency obligations, certificates of deposit, commercial paper or
156 bank acceptances such portion of the proceeds of such bonds or of any
157 notes issued in anticipation thereof as may be deemed available for
158 such purpose.

159 Sec. 8. Section 10-292m of the general statutes is repealed and the
160 following is substituted in lieu thereof (*Effective July 1, 2004*):

161 [(a)] Notwithstanding any other provision of the general statutes, in
162 the case of any school building project for which the total cost is less
163 than one million dollars, the state shall not require permanent local
164 financing prior to the payment of an interest subsidy grant under
165 sections 10-292c to 10-292n, inclusive, as amended. In any such case,
166 the school district may pay off its debt on any such project over a
167 period not to exceed four years if the school district promptly applies
168 all interest subsidy grant payments toward interest costs on such debt
169 as the same becomes due and payable and provides for the payment of
170 such debt in equal annual installments commencing no later than one
171 year from the date of issue. The interest subsidy grant percentage on
172 such debt of the district shall be the same as if permanent financing
173 had been used.

174 [(b)] Interest subsidy grants shall be available for bonds issued after
175 July 1, 1971, for the local share of the cost of a school building project
176 eligible for assistance under section 10-287a. The State Comptroller is
177 authorized and directed to draw an order on the State Treasurer upon
178 certification of the Commissioner of Education to pay any regional
179 school district, town, consolidated town and city, and consolidated

180 town and borough an interest subsidy grant on such bonds issued after
 181 July 1, 1971, for the local share of the cost of such school building
 182 project but not in excess of the amount certified as such share by the
 183 Commissioner of Education for such project. The local share of the cost
 184 of such project shall be the total cost of such project, as determined by
 185 the Commissioner of Education to be eligible for assistance under
 186 section 10-287a, less the total grant payments made by the state. Such
 187 interest subsidy shall be the difference between four per cent per
 188 annum and the lower of six per cent per annum or the net interest cost
 189 on such bonds. Such payments may be made on a reimbursement basis
 190 in the event the bonds were issued prior to the date of certification
 191 from the commissioner to the State Comptroller in accordance with
 192 sections 10-292c to 10-292n, inclusive.]

193 Sec. 9. (*Effective July 1, 2004*) Sections 3-76t, 10-287a, 10-287e and 10-
 194 287f of the general statutes are repealed.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>
Sec. 2	<i>July 1, 2004</i>
Sec. 3	<i>July 1, 2004</i>
Sec. 4	<i>from passage</i>
Sec. 5	<i>July 1, 2004</i>
Sec. 6	<i>July 1, 2004</i>
Sec. 7	<i>July 1, 2004</i>
Sec. 8	<i>July 1, 2004</i>
Sec. 9	<i>July 1, 2004</i>

APP *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Education, Dept.	None	None	None

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 05 \$	FY 06 \$
All Municipalities	None	None	None

Explanation

Sections 1 and 2, which make services provided by the Department of Education discretionary rather than required will not alter agency practice and thus will not reduce costs to the state.

Section 3, which allows for local approval rather than state approval for certain air quality emergency projects will expedite projects but not result in any fiscal impact.

Section 4 simply changes the timing of appointments to the Legislative School Facilities Committee and has no fiscal impact.

Sections 5 through 9 are technical and have no fiscal impact.

OLR BILL ANALYSIS

sSB 343

AN ACT CONCERNING SCHOOL CONSTRUCTION PROGRAM REVISIONS**SUMMARY:**

This bill makes various changes in laws relating to school construction. It:

1. allows local school districts to obtain local rather than state approval of final plans and specifications for certified school indoor air quality emergency projects costing \$1 million or less;
2. allows, rather than requires, the education commissioner to provide school construction advisory services and information to local school districts;
3. changes the timetable for legislative leaders to appoint members of the legislative committee that reviews the annual school construction project priority list from annual to biennial; and
4. eliminates obsolete school construction financing provisions.

EFFECTIVE DATE: July 1, 2004, except for the change in the school facilities review committee appointments, which takes effect on passage.

APPROVAL FOR SCHOOL INDOOR AIR QUALITY EMERGENCY PROJECTS (§ 3)

The bill adds certified school indoor air quality emergency projects costing \$1 million or less to the list of projects for which a local school district can submit final plans and specifications to local officials with jurisdiction instead of the education commissioner. The other types of projects for which the local approval option applies are oil tank and roof replacements, asbestos abatement, code violations, energy conservation, network wiring, and projects for which no state aid is sought. By law, a certified school indoor air quality emergency is a

building condition that the Department of Public Health determines presents a substantial and imminent adverse health risk that requires remediation costing more than \$100,000.

SCHOOL CONSTRUCTION ADVISORY SERVICES (§§ 1 & 2)

The bill makes discretionary the following services the education commissioner currently must provide:

1. advising local districts on long-range school facility planning and educational specifications;
2. reviewing preliminary project plans and specifications and the educational programs for which they are designed;
3. advising districts on the suitability of a plan based on its educational and cost-effectiveness, soundness of construction, and energy efficiency and economy;
4. arranging to collect, publish, and distribute information on school building committee procedures, building methods and material suited to school construction projects, and relevant educational methods, requirements, and material and giving them to towns and regional school districts planning school construction; and
5. informing local officials of the services and information available.

The bill also eliminates an obsolete requirement that the commissioner inform local officials of available advisory services through a separate school construction economy service.

LEGISLATIVE SCHOOL FACILITIES COMMITTEE APPOINTMENTS (§ 4)

The bill changes the timing of legislative appointments to the committee that reviews the authorization list of eligible school construction projects the education commissioner must submit annually to the General Assembly by December 15. Under current law, the legislative leaders must each appoint two legislators to the committee every year by July 1. The bill requires the leaders to make these appointments every two years by July 1.

OSOLETE LANGUAGE (§§ 5-9)

The bill eliminates obsolete language concerning:

1. transfers of pre-1997 state interest subsidy grants on refunded local school construction bonds (§ 3-76t),
2. advance lump sum payments and related interest subsidies for certain projects approved before October 1975 (§§ 10-287a and 10-292m (b)),
3. a special state School Building Construction Fund that no longer exists (§ 10-287e), and
4. renewal of town and regional district temporary bond anticipation notes for certain projects started before 1971 that have since expired (§ 10-287f).

BACKGROUND

Legislative History

The Senate referred the original bill (File 281) to the Appropriations Committee on April 6. The committee deleted a provision establishing acoustical standards for new school construction. It reported the substitute bill favorably on April 13.

COMMITTEE ACTION

Education Committee

Joint Favorable Report

Yea 21 Nay 5

Appropriations Committee

Joint Favorable Substitute

Yea 40 Nay 0